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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000584

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SENSITIVE

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TAGS: [PGOV](#) [KCOR](#) [KDEM](#) [IZ](#)
SUBJECT: CORRUPTION IN IRAQ REMAINS IN THE PUBLIC SPOTLIGHT

REF: A. BAGHDAD 545 AND PREVIOUS
[1](#)B. BAGHDAD 441
[1](#)C. BAGHDAD 329
[1](#)D. BAGHDAD 101

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Classified By: Anti-Corruption Coordinator Joseph Stafford, reason 1.4
(b and d).

SUMMARY

[1](#)1. (C) The Prime Minister's point-man on the anti-corruption dossier announced a "campaign to combat bribery," while the Labor and Social Affairs Ministry's Inspector General reported the uncovering of widespread corruption in a provincial social welfare program. The Interior Ministry's Inspector General complained of "political pressures" over his office's investigations. The Commission on Integrity head announced that 17 Ministers -- about half the total number, up from 30-40 percent in the past -- had submitted the required financial disclosure statements for 2008. Local media coverage of corruption is expanding. The actual extent of the GOI leadership's will to follow up on the talk about combatting corruption with concrete steps remains unclear -- but there are positive signs. END SUMMARY.

GOI PRONOUNCEMENTS CONTINUE

[1](#)2. (SBU) In recent weeks, the public spotlight on corruption in Iraq has shone increasingly brighter. The GOI's heightened profile on the corruption dossier continues (ref a). On March 1, Council of Ministers Secretary General Ali Alaq, the Prime Minister's point-man on anti-corruption efforts as head of the GOI's Joint Anti-Corruption Council, used a gathering of anti-corruption officials to launch a GOI "campaign to combat bribery." In his remarks, he urged attendees -- the Inspectors General (IG) and Commission on Integrity (COI) officials, in particular -- to contribute ideas for the campaign. (COMMENT: The GOI's initiative remains in the planning stages; new anti-bribery measures have yet to be announced. END COMMENT)

[1](#)3. (SBU) In a subsequent press statement, Ali Alaq pointed to "gaps" in Iraq's legal framework that contributed to corruption. He cited, in particular, inadequate laws governing the transfer of funds out of the country, asserting that corrupt officials were exploiting loopholes in the relevant laws to transfer their tainted money to banks outside Iraq. He also spoke of the need for new laws to afford adequate protection to whistle-blowers and require greater transparency in government actions. On a more positive note, Ali Alaq asserted that the GOI's

anti-corruption efforts in various ministries -- e.g., Defense and Trade -- were making headway. He went on to claim that in the Oil Ministry -- "once among the most corrupt ministries" -- the incidence of corruption had declined by as much as 80 percent thanks to the government's crackdown on abuses. (COMMENT: There was no elaboration on how the 80 percent figure was determined. END COMMENT)

INSPECTORS GENERAL SPEAK OUT

14. (U) The Labor and Social Affairs Ministry's Inspector General, Hamed Al-Zeidi, announced to the media that widespread corruption had been uncovered in the Ministry's social welfare program in Diyala province. (NOTE: This program, involving payments to poor families, is generally regarded as riddled with corruption nationwide. Per ref b, he had previously told the press that up to 70 percent of funds allocated to the program were siphoned off by corrupt employees and others. END NOTE) The IG asserted that over 6,000 public employees in the province, mainly police officers and teachers, had devised various schemes to obtain social welfare funds illegally. (COMMENT: The IG stated that law enforcement authorities were investigating the scam, but Qlaw enforcement authorities were investigating the scam, but refrained from mentioning whether those implicated had been dismissed or otherwise sanctioned as yet. END COMMENT)

15. (C) On March 5, the Interior Ministry's IG, Akeel Saeed, hosted a conference of fellow IG's and other anti-corruption officials (Anti-Corruption Coordinator and MNSTC-I Deputy Commander addressed the conference). IG Akeel Saeed used the occasion to register concern, without elaborating, that "some terrorist operations" had been financed through corruption. (COMMENT: As reported in other channels, there is ample evidence of terrorist elements' involvement in corruption.

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END COMMENT) He maintained that the past year had witnessed a decline in corruption among senior MOI officials, but that it remained a problem. The MOI IG indicated that he had faced, and resisted, "political pressures" over his office's conduct of investigations into possible abuses by ministry employees. (COMMENT: As previously reported -- ref c -- our sources portray the IG as ineffectual and assert that the real credit for progress in reducing corruption at MOI goes to its Internal Affairs Director, Maj Gen Ahmed Al-Taha. END COMMENT)

FINANCIAL DISCLOSURE BY MINISTERS

16. (U) COI head Judge Rahim Al-Uqaili announced March 2 that 17 Ministers (or officials of equivalent rank) had submitted financial disclosure statements for 2008. (COMMENT: This figure represents half the total number of ministers and represents something of an increase over past years, when 30-40 percent of ministers submitted statements. Although annual submission of these statements by numerous senior officials is required by law, it is widely ignored, and we are not aware of any officials being sanctioned for failure to submit statements. COI head Judge Rahim has complained to us that lack of clarity in the relevant law regarding sanctions has essentially ruled out their imposition by the COI. He claimed to be drafting an improved sanctions provision for the parliament's consideration. END COMMENT)

MEDIA COMMENTARY

17. (U) Iraqi media coverage of corruption is also expanding, including commentaries, political cartoons, and other articles as well as reporting on the growing spate of GOI pronouncements. The pro-GOI daily, As-Sabah, featured two editorials last week on corruption. One, by Mahmoud Al-Ikayli, called for all elements of society -- both inside and outside government -- to play an active role in

anti-corruption efforts. The other, by Baqir Sahib, stressed the need to eliminate the roots of "political corruption" by ensuring that corrupt officials are no longer shielded from prosecution by the political parties with which they are affiliated.

COMMENT

18. (C) As previously reported (ref d), the actual extent of the GOI leadership's will to follow up on the talk about combatting corruption with concrete steps remains unclear. Skepticism is warranted for some of the claimed achievements, such as the 80 percent reduction of corruption in the Oil Ministry. Nonetheless, there are positive signs in this regard, such as the GOI's ongoing effort to come up with a comprehensive anti-corruption law and an updated anti-corruption strategy. The eagerness of anti-corruption officials for expanded cooperation with the USG is another positive. END COMMENT.
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